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CUBA -- POLITICAL AND ECONOMIC

I. Cuban Subversion in Latin America

The most significant discernible change in Cuban policy since the missile crisis has been greatly increased attention to subversion in other Latin American countries. While this has always been an element in Castro's program, indications are multiplying that it is now a high priority Cuban objective.

Keynoted in Castro's two January speeches, the present Cuban position is to stress the necessity of revolutionary action in the hemisphere, the importance of guerrilla warfare, and to ridicule all thought that the "people's liberation" can be accomplished except through violence. Leading veteran Cuban Communists have fallen into line with public speeches mirroring Castro's. All make clear that Venezuela is the leading Cuban target. Veteran Communist leader Blas Roca was most explicit. In his speech of 23 January he stated frankly that "we shall continue to give our support, each day in greater proportions, to the Venezuelan people" in their struggle for "liberation from imperialism." He added that victory in Venezuela "will be a tremendous boost for Cuba...we will have a nation on the continent to back us."

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One of the most effective methods of Cuban subversion is the training and indoctrination of Latin American students in Cuba. We estimate that between 1,000 and 1,500 people from other countries received guerrilla warfare training in Cuba during 1962.

II. Anti-Castro Activity

There has been an increase in hit-and-run attacks by anti-Castro resistance fighters since early this year. The attacks generally involve small bands of guerrillas, usually under 20 men, who ambush militiamen, burn buildings and canefields. These activities are more of a harassment than a threat to the regime and Castro's all-pervasive security network inhibits major resistance.

III. The Cuban Economy

The economy continues to deteriorate and there are no signs of significant improvement in the foreseeable future. Present indications are that this year's sugar crop--the mainstay of the economy--will be less than last year's poor crop of 4.8 million tons, possibly considerably less. Though world prices are now at a 40 year record high (5.9¢ per pound now compared with 2.4¢ a year ago), Cuba is unlikely to benefit much. Most Cuban sugar is bartered to the bloc for needed imports.

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Extensive Cuban-Soviet negotiations this year on trade and aid have been followed only by vaguely worded public statements to the effect that trade will increase. If it does, it will mean an increase in Soviet credits to Cuba. In return for continued Soviet help the Cubans are probably being asked to work harder and use the support they are now getting more efficiently.